

# PROPERTY **E**CONOMICS



## **POHUTUKAWA BUSINESS PARK**

## **FAST TRACK ECONOMIC**

## **IMPACT ASSESSMENT**

Client: Knights Investments Ltd

Project No: 52485

Date: June 2025



## SCHEDULE

Code	Date	Information / Comments	Project Leader
52485.5	June 2025	Report	Phil Osborne / Tim Heath

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## 1. INTRODUCTION

Property Economics have been commissioned to summarise the economic impacts that will flow from the application by Knights Investments Limited for the proposed development and construction of the Pohutukawa Business Park (**"the Project"**) in Beachlands, Auckland, comprising of approximately 31,360sqm of Gross Floor Area (**GFA**), including 9,160sqm retail floorspace, 3,000sqm commercial floorspace and 19,200sqm of industrial floorspace by 2028. This excludes areas for industrial yards (17,810sqm) and basement carparking (5,910sqm).

The subject site spans around 12ha of land currently zoned as Rural – Countryside Living Zone and Special Purpose – Quarry Zone, under the Auckland Unitary Plan Operative in Part (**AUP**). The Project encompasses the area presently utilised for managed and clean fill tipping, contract crushing, and earthwork equipment hire.

This Economic Impact Assessment (**"EIA"**) is designed to provide an economic assessment in terms of the Fast-Track Approvals Act (2024) (**'the FTAA'**) based around economic injection, employment, and scale of economic impacts / benefits for the economy. Provisions of the FTAA that are directly relevant to this report include:

- Section 3 which states that, *"The purpose of this Act is to facilitate the delivery of infrastructure and development projects with significant regional or national benefits."*
- Section 85 which records when a panel must or may decline approval and specifies that a panel may decline consent where *"adverse impacts are sufficiently significant to be out of proportion to the project's regional or national benefits."*
- Schedule 5 Clause 7 which requires economic effects to be assessed in the Assessment of Environmental Effects.

- Schedule 5 Clause 17 which specifies the criteria for assessing consent applications and provides that the greatest weight is to be given to the purpose of FTAA.
- Whether the proposal “*will increase the supply of housing, address housing needs, or contribute to a well-functioning urban environment (within the meaning of policy 1 of the National Policy Statement on Urban Development 2020)*” (Section 22(2)(a)(iii)); and
- Whether the proposal “*will deliver significant economic benefits*” (Section 22 (2)(a)(iv)).

In short, the FTAA supports development proposals to expedite the consent process where the proposed development results in significant regional or national benefits, the efficient operation of the consenting process and contributes to a well-functioning urban environment (as per Policy 1 of the National Policy Statement on Urban Development (NPS-UD)).

This economic impact estimates the total additional gross economic output<sup>1</sup> into the Auckland economy that would be facilitated by the Project. The initial specifications and details have been provided by the applicant and represent the development's configuration and costings at this point in time. It is important to note that this is not site specific.

It is assumed the Pohutukawa Business Park area represents an efficient location for future growth and therefore the associated infrastructure is location specific. Additionally, the assessment has not endeavoured to identify the extent to which particular parts of the Auckland Region will benefit economically. It assesses the likely economic impacts upon aggregate Auckland business activity given the composition of activities proposed.

The economic impacts likely to be experienced as a result of the Project are broken down by the development phase which includes the construction costs (CAPEX<sup>2</sup>) of the facilitated activities and the proportion of those costs that are retained within the Region.

The direct economic impacts are derived from the actual spending / expenses incurred through the operation of the facilitated development.

Indirect economic impacts are the increased spending brought about by those firms / households and their employees / occupants, who supply the development, while induced economic benefits are measured in terms of the additional income that will be spent in the area due to increased business activity.

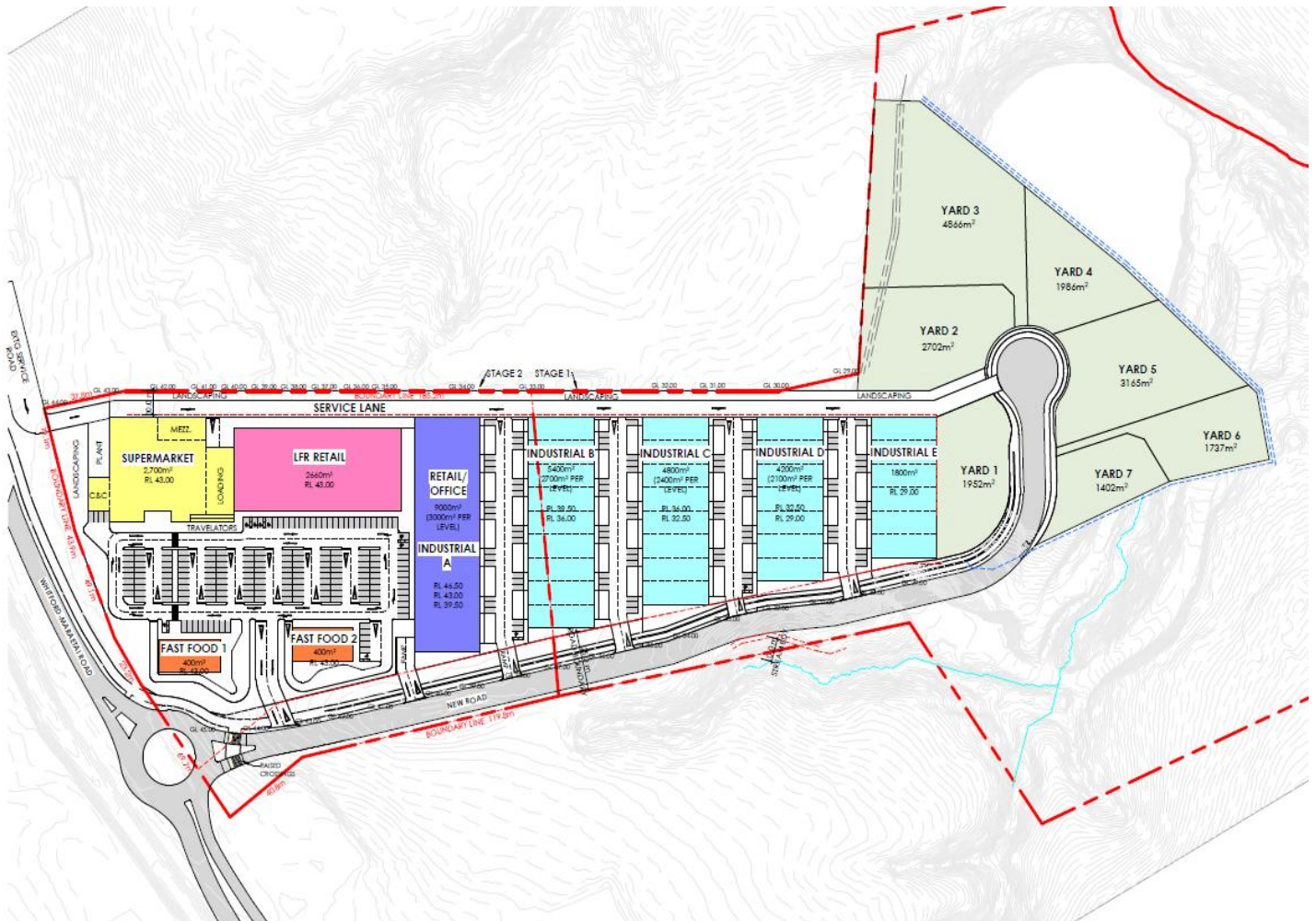
Figure 1 following provides an outline of the site plan of the proposed Pohutukawa Business Park development.

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<sup>1</sup> For example, this has not taken into account the short-term loss of operational employment currently on site

<sup>2</sup> CAPEX – Capital Expenditure



**FIGURE 1: POHUTUKAWA BUSINESS PARK OVERALL SITE PLAN**


Source: RCG

## 1.1. STATEMENT OF EXPERIENCE

Philp Osborne is an economic consultant for the company Property Economics Limited, based in Auckland.

My qualifications include Bachelor of Arts (History / Economics), Masters in Commerce, and Masters in Planning Practice from the University of Auckland.

I have 25 years' experience advising local and regional councils, central government agencies, and private developers throughout New Zealand in respect of a wide range of property issues, including economic impact assessments, commercial and residential market assessments, economic cost benefit analyses and forecasting market growth and land requirements across all property sectors. I have undertaken numerous Economic Impact Assessments for FTAA applications.

## 1.2. CODE OF CONDUCT

Although this is not a hearing before the Environment Court, I have approached this assessment on the basis that it is prepared in the same way as it would be for expert evidence in Environment Court proceedings.

I therefore confirm that I have read the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2023 and confirm that I have complied with it in preparing this assessment. I confirm that the issues addressed in this assessment are within my area of expertise, except where I have indicated that I am relying on others' opinions. I have not omitted material facts known to me that might alter or detract from my opinions expressed.

## 1.3. INFORMATION & DATA SOURCES

Information has been obtained from a variety of reliable data sources and publications available to Property Economics, including:

- Input / Output Tables - Statistics NZ
- Business Frame Data - Statistics NZ
- Proposed Development Costings – Knights Investments Limited
- Development Concept Plan - RCG

## 1.4. GLOSSARY OF TERMS

Below is a list of terms relevant to this economic impact assessment. Note that the definitions of some terms may differ from those provided in the relevant statutory definitions and are intended solely for the purposes of this economic analysis. This does not affect the economic analysis conducted in this report or our economic position.

TERM	DEFINITION
<b>ANZSIC</b>	Australia New Zealand Standard Industrial Classification 2006 - A standard method used to classify businesses and organisations based on their primary economic activity. It provides a framework for analysing and comparing economic data across industries in Australia and New Zealand. ANZSIC is widely used by government agencies, researchers, and businesses for statistical, policy, and planning purposes.
<b>CAPEX</b>	capital expenditure

<b>Development contributions</b>	fees that developers pay to territorial authorities for the provision of infrastructure and upgrades required as a consequence of development, which may include water supply, sewerage connections, roads and community infrastructure
<b>Direct economic impacts</b>	derived from the actual spending / expenses incurred through the construction of the anticipated development
<b>Economic benefits</b>	<p>refer to the positive outcomes that enhance the well-being of individuals, businesses, and communities, typically arising from an activity, development, or policy.</p> <p>These benefits may be expressed in financial or non-financial terms.</p> <p>In the context of urban development, economic benefits reflect the extent to which a proposal contributes to local and regional prosperity, market efficiency, and the effective alignment of supply with demand.</p>
<b>Economic costs</b>	<p>the value of what is given up when choosing one economic activity over another. Economic costs also include opportunity costs, which are the value of the next best alternative that is forgone.</p>
<b>Employment multipliers</b>	the level of indirect and induced employment activity generated through the expenditure on and off site.
<b>FTE years</b>	these are all jobs created through the direct construction phase and ongoing operation of the development including indirect and induced employment through all business sectors (not solely construction jobs) and relate to job years rather than one employee
<b>Indirect economic impacts</b>	the increased spending brought about by those firms / households and their employees / occupants, who supply the development
<b>Induced economic impacts</b>	measured in terms of the additional income that will be spent in the area due to increased business activity.
<b>GDP</b>	gross domestic product
<b>Net Present Value (NPV)</b>	the difference between the present value of cash inflows and the present value of cash outflows over a period of time.
<b>Transaction costs</b>	costs that arise as part of engaging in an economic trade. This can include compliance costs, planning costs, variation costs, etc.

<b>Well-functioning urban environment</b>	<p>as defined in Policy 1 of the NPS-UD: Planning decisions contribute to well-functioning urban environments, which are urban environments that, as a minimum: (a) have or enable a variety of homes that:</p> <p>(i) meet the needs, in terms of type, price, and location, of different households; and</p> <p>(ii) enable Māori to express their cultural traditions and norms; and. (b) have or enable a variety of sites that are suitable for different business sectors in terms of location and site size; and (c) have good accessibility for all people between housing, jobs, community services, natural spaces, and open spaces, including by way of public or active transport; and (d) support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets; and (e) support reductions in greenhouse gas emissions; (f) and are resilient to the likely current and future effects of climate change.</p>
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## 2. EXECUTIVE SUMMARY

The application proposes to develop the site into a business park of approximately 31,360sqm of Gross Floor Area (GFA), including 9,160sqm retail floorspace, 3,000sqm commercial floorspace and 19,200sqm of industrial floorspace by 2028, excluding areas for industrial yards (17,810sqm) and basement carparking (5,910sqm).

The total economic impact on business activity within the Auckland region as a result of the subject Pohutukawa Business Park development over a 4-year period is estimated to be \$140 million (NPV)<sup>3</sup>.

In terms of employment multipliers<sup>4</sup> this would contribute 390<sup>5</sup> FTEs during the peak development year within Auckland, with a total of 1,065 FTE years over the 4-year development period.

In addition to these quantifiable regional contributions, the Pohutukawa Business Park development can be expected to generate a wide range of qualitative economic benefits to the wider market and communities, including:

- Increased industrial land / business floorspace
- Increased industrial employment and economic profile
- Decreased marginal infrastructure costs
- Potential for mitigation of industrial land prices
- Increased choice of business locations
- Increased flexibility for industrial growth and new entrants
- Mitigation of adverse environmental effects
- Increased convenience & market efficiency
- Better adapt to market trends and diversified demand
- Increased land use efficiency

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<sup>3</sup> Net Present Value

<sup>4</sup> Employment Multipliers relate to the level of indirect and induced employment activity generated through the expenditure on and off site.

<sup>5</sup> NB These are all jobs created through the direct construction phase including indirect and induced employment through all business sectors (not solely construction jobs) and relate to job years rather than one employee.

- Reduced retail spend leakage and employment internalisation
- Increased injection of capital in the market and economy
- Improved amenity and convenience

These economic benefits, in conjunction with the development's quantified economic injection into the regional economy and employment opportunities, would outweigh the economic costs related to the land's potential productivity loss, the impact on existing and planned centres, and additional infrastructure requirements.

Property Economics considers that advancing the proposed development would yield significant economic benefits for the regional economy and community. Overall, our assessment supports the Knights Investments Limited development from an economic perspective in the context of the RMA and FTAA.

### 3. ECONOMIC CONTEXT

In assessing the potential economic impacts, it is important to firstly establish the context in which they will be assessed. For the purposes of this assessment the three important parameters are:

- 1) The geospatial extent of the economic impact. While facilitation of additional business development and spend is likely to have a national economic impact, the majority of impacts are likely to be retained within the Auckland Region. As identified, for the purposes of this assessment, the extent of economic impacts is focussed on the retention of activity within this area.
- 2) The economic impacts are those resulting from the commercial and industrial development over a four-year period.
- 3) In terms of the statutory considerations the RMA provides context in terms of the utilisation of resources and the resulting impact on the price and provision of these resources. It calls for the “*efficient use and development of natural and physical resources*” (Part II section 7(b))<sup>6</sup>.

This can be considered from the perspective of economic efficiency which can be defined as “*the effectiveness of resource allocation in the economy as a whole such that outputs of goods and services fully reflect consumer preferences for these goods and services as well as individual goods and services being produced at minimum cost through appropriate mixes of factor inputs.*”<sup>7</sup>

As identified the proposed development is likely to have economic impacts that are felt beyond the specific costs and benefits within the region. Additionally, there are likely to be non-economic effects, such as environmental. While these effects may result in economic impacts for the most part they have not been addressed here.

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<sup>6</sup> Resource Management Act 1991, section 7(b).

<sup>7</sup> Pass, Christopher and Lowes, Bryan, 1993, *Collins Dictionary of Economics* (2nd edition), Harper Collins, page 148.

## 4. TOTAL ECONOMIC ACTIVITY

This section assesses the potential economic activity generated within the Auckland Region specifically attributable to the Project through spending on the general civil works and residential development.

This includes construction costs, which have been valued for the overall development.

The impact of this injection on the initial business cycle has been calculated. This 'construction multiplier' was based on the national input-output tables produced by Statistics New Zealand (based on 48 sectors), which were then assessed at a district level based on Auckland economic activity, composition and productivities.

This estimates the 'leakage' from the regional economy (within specified sectors), and therefore the overall regional production (within a given business cycle) for each \$1 injected.

This was performed for the general and commercial construction sectors. These multipliers are based on 'net' flows by broad sector type and are therefore approximations.

Total output impacts to the Auckland catchment for the proposed developments include:

- Direct Construction Cost x 'Construction Multiplier' +
- Direct Development Cost x 'Development Multiplier' +
- Direct Increased Commercial Spending x 'Commercial Multiplier' +
- Indirect Business Spend x 'Commercial Multiplier' +
- Induced Retail Spending x 'Retail Multiplier'

Each identified multiplier relates simply to the economic sector from which the activity is generated.

### 4.1. ASSUMPTIONS

The following assumptions have been applied in this impact analysis in order to assess the level of economic injection into the overall economy at this time. This has some (limited) impact on the distributional effects of the costs and benefits but can be quickly adjusted to accommodate more specific construction and on-going costs and injections.

1. For the purposes of this Economic Impact Assessment, it has been assumed that the construction costs will fall within the definition of the following categories (based on a standard 'special' commercial ratio): non-residential construction', 'non-building construction', 'other construction services'.

2. Financial or loan costs on capital primarily fall outside of the local catchment and impact the national economy.
3. The origin of labour has been assessed based on regional labour movements furnished by Statistics NZ based on 2018 data. However, employment data has been updated as per the Statistics NZ Business Frame data<sup>8</sup> to March 2024.
4. This report deals with the economic impact of proposed development on Auckland. These are specifically the direct impacts related to the construction of the proposed development.
5. The economic activity generated is based on the development's gross activity and does not consider this redirecting growth opportunities from elsewhere in the catchment. As stated, this assessment is not site specific.
6. For the purposes of this report a 6% discount rate has been applied.
7. Labour movements are based on average retention rates rather than specific company locations.
8. The proportion of materials and labour internalised in direct benefits to Auckland are based on standardised labour movements as well as employment and production composition within the Region. The amount of each 'flow-on' dollar retained in Auckland are based on the movement of resources (including labour) between other districts and regions.

Table 1 following outlines the resulting impacts on the Auckland regional economy as a result of the development.

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<sup>8</sup> Business Frame Data – provides Statistics NZ measure of employment in an area by ANZSIC sector.



## 4.2. TOTAL AUCKLAND REGIONAL ECONOMIC ACTIVITY

**TABLE 1: TOTAL GROSS AUCKLAND REGIONAL ECONOMIC INJECTION OF PROJECT**

	2025	2026	2027	2028	Total
<b>Direct Expenditure (\$m)</b>					
Land					
Earthworks / Civil Works	\$3.7	\$2.6	\$1.1		\$7.3
Civil Consultants	\$5.0	\$5.0			\$10.0
Other		\$7.5	\$3.8	\$3.8	\$15.0
Infrastructure		\$2.5	\$1.1		\$3.5
<b>Total Development Costs (excl. land)</b>	<b>\$8.7</b>	<b>\$17.5</b>	<b>\$5.9</b>	<b>\$3.8</b>	<b>\$35.8</b>
Retail/Commercial		\$8.1	\$9.7	\$14.6	\$32.4
Industrial		\$5.7	\$23.0	\$28.7	\$57.4
Parking/Other		\$0.2	\$1.3	\$2.7	\$4.2
<b>Total Construction</b>		<b>\$14.1</b>	<b>\$33.9</b>	<b>\$46.0</b>	<b>\$94.0</b>
<b>Total Construction and Development Costs (excl. Land)</b>	<b>\$8.7</b>	<b>\$31.6</b>	<b>\$39.8</b>	<b>\$49.8</b>	<b>\$129.8</b>
Increased Local Spend*		\$0.5	\$1.3	\$2.2	\$4.0
<b>Total Direct Expenditure (excl. land)</b>	<b>\$8.7</b>	<b>\$32.1</b>	<b>\$41.1</b>	<b>\$52.0</b>	<b>\$133.8</b>
<b>Level 2 Multiplier Impacts</b>					
Total Auckland Output (48 sector multipliers)					
<b>Total Auckland Output NPV (48 sector multipliers)**</b>	<b>\$10.4</b>	<b>\$35.8</b>	<b>\$42.2</b>	<b>\$51.0</b>	<b>\$139.4</b>
<b>Employment (FTE Years)</b>					
Development Employment	66	122	41	26	
Construction Employment		129	243	330	
Other Employment	9	25	40	34	
<b>Total Employment (FTE years)</b>	<b>75</b>	<b>276</b>	<b>324</b>	<b>390</b>	<b>1,065</b>

Source: Property Economics

\* Increased Local Spend by residents, employees, construction workers and additional local business spend through the different stages of development.

\*\*The impacts on Auckland as a result of direct, indirect and induced activities.

The preceding table illustrates that the total impact on business activity within Auckland region as a result of the Pohutukawa Business Park development over a 4-year period is estimated to be in the order of \$140 million.

In terms of employment multipliers this would contribute over 390<sup>9</sup> jobs during the peak construction year within Auckland, with a total number of FTE years at 1,065 over the development period.

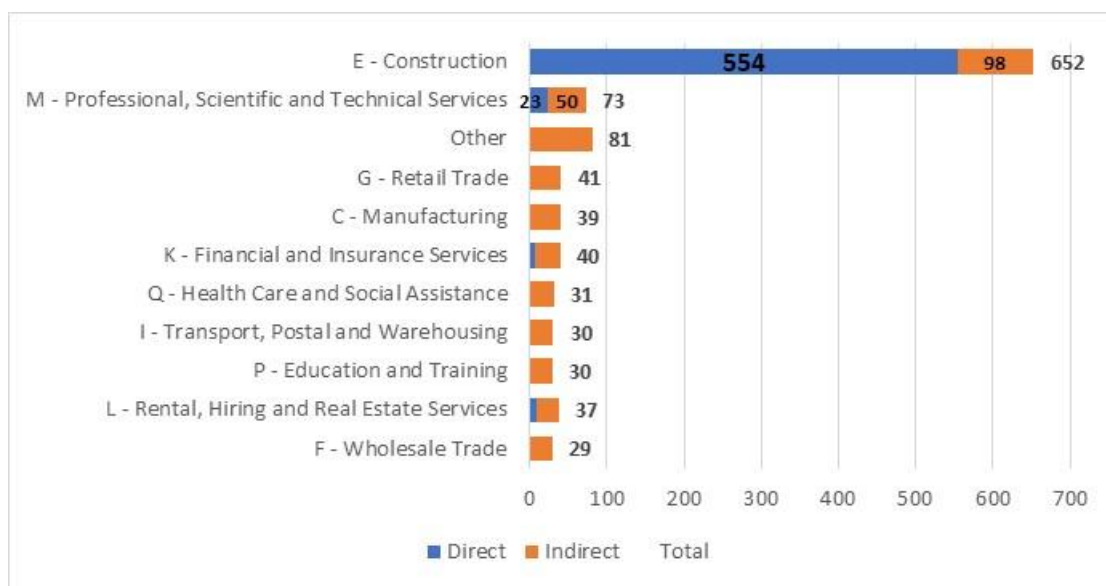
<sup>9</sup> NB These are all jobs created through the direct construction phase including indirect and induced employment through all business sectors (not solely construction jobs).

### 4.3. TOTAL AUCKLAND DIRECT AND INDIRECT EMPLOYMENT

Figure 2 below disaggregates employment generated by sector and Direct and Indirect (including induced) FTE employment over the identified period. It illustrates the significant direct impact on the Construction sector (as well as Construction Services).

The figure below illustrates the sectors associated with direct employment measure an estimated 580 FTE years with the remaining estimated at around 485 FTE years resulting from indirect and induced activity

**FIGURE 2: AUCKLAND EMPLOYMENT GENERATION BY SECTOR (DIRECT, INDIRECT AND INDUCED)**



Source: Property Economics

## 5. OTHER ECONOMIC COSTS AND BENEFITS

Due to the nature of the project assessed, there are a range of potential economic costs and benefits that are likely to be achieved within the market beyond the direct economic activity (employment and GDP) generated. The following analysis outlines the key economic costs and benefits of the proposed development within the framework of the RMA and the NPS-UD.

### 5.1. ECONOMIC BENEFITS

#### Industrial Component of the Project

- + **Increased industrial land / business floorspace:** The proposed industrial development will supply the market with industrial capacity within a single-master planned site. This provides not only the ability for the localised economy to improve its responsiveness to growth demands but itself facilitate further growth. This has the ability to lead to an increase in overall competitiveness and land use efficiency. Additionally, this provides clear direction to the market regarding both its ability to meet future demand pressures and its provision through an efficient site location and size.
- + **Increased industrial employment and economic profile:** The proposed industrial activities would directly promote the local and regional industrial economy by providing more industrial employment opportunities to the market. Increased industrial activities in proximity to the existing and anticipated residential areas in Beachlands could internalise more industrial employment in the market and further increase the market size and improve the business location competitiveness.
- + **Decreased marginal infrastructure costs:** Additional development that is proximate to the existing urban environments would enable infrastructure investment to be more efficiently utilised and lower marginal infrastructure cost. This would also provide the opportunity for the local market to accommodate business growth without the requirement to duplicate investment and resources in new infrastructure by the community.
- + **Potential for mitigation of industrial land prices:** With additional business floorspace supply, the average industrial floorspace price within the local area has the potential to fall and this makes the local area a more competitive location to establish an industrial business. Additional industrial land capacity within the local market would also reduce the likelihood of industrial land banking and one developer controlling industrial land prices.
- + **Increased choice of business locations:** The Project would provide additional business capacity and thereby employment opportunity for consumers to work in the Beachlands / Maraetai area, which is in a location more efficiently connected to the balance of Auckland than greenfield areas in more remote locations. Being adjacent to

the existing urban area essentially means the Project would be a 'plug in' extension of the urban environment. This supports Policy 1 of the NPS-UD by contributing positively to a well-functioning urban environment.

- + **Increased flexibility for industrial growth and new entrants:** Increasing industrial floorspace supply enhances flexibility by accommodating diverse business needs and supporting both expansion and new market entrants. It also helps stabilise costs, fosters competition, and improves infrastructure planning, making the local market and the wider region more attractive for investment.
- + **Mitigation of adverse environmental effects (or reverse sensitivity effects) by containing the activities within a defined area:** Many industrial activities have the potential to generate reverse sensitivity issues in urban environments, particularly rural oriented activities. The Project would provide a location where any reverse sensitivity issues with more urban environments can be more easily mitigated as it avoids direct interfaces with existing urban environments and residences.

#### Retail and Commercial Component of the Project

- + **Increased convenience & market efficiency:** The proposed development would provide local residents with convenient access to some required retail and commercial services. By offering nearby options for supermarkets, large format retail activities and commercial offices, the development would reduce the need for residents to travel to more distant locations. This would not only save valuable time but also decrease transportation costs, improving overall convenience for the community and enhancing the quality of life for residents who currently face the inconvenience of longer travel distances for such offerings, services and employments.
- + **Better adapt to market trends and diversified demand:** The mixed range of business activities proposed on the site would enable greater flexibility of land uses, enabling the land to better adapt to the market trends and accommodate the diversified employment demand in an efficient manner.
- + **Increased land use efficiency:** The proposed retail and commercial activities are likely to deliver a greater intensification of activity compared to industrial uses only. Specifically, they would enable a broader range of land uses including convenience retail and commercial offices, both of which typically deliver a greater number of employees per sqm of built floorspace than industrial activity.
- + **Reduced retail spend leakage and employment internalisation:** The proposed retail activities could better accommodate a rapidly growing population in the market, ensuring that retail expenditure stays within the local area rather than flowing to other areas. By accommodating the evolving needs of the community, the retail

development will increase local spending retention, which in turn will strengthen the economic self-sufficiency of the area. This will help the local economy grow, supporting the sustainability of the retail sector and contributing to a more resilient and self-reliant community. The proposed retail and commercial activities would also help accommodate more local employment opportunities, reducing the need for commuting and improving both travel efficiency and market accessibility.

- + **Increased injection of capital in the market and economy:** The proposed retail and commercial activities would enable a more diversified range of land uses that could stimulate greater returns and provide a wider range of asset classes for investment. The ability to generate higher investment returns attracts capital and provides greater local investment opportunities to the economy.
- + **Improved amenity and convenience:** The proposed retail and commercial activities would increase the amenity value of the subject land and provide a greater level of convenience, competition and amenity for the surrounding communities with a higher quality development. Both the enhanced amenity and increased convenience have flow on benefits for the surrounding sites and general neighbourhood which will encourage further development.

## 5.2. ECONOMIC COSTS

- **Use of the Rural – Countryside Living land provision (opportunity cost):** The western extent of the site falls within the Rural – Countryside Living Zone (CSL) as per the AUP with a specified objective of accommodating rural lifestyle living and small-scale rural production (H19.7.2.(1)). This gives rise to a potential economic cost to the Project in terms of utilising the CSL for retail, commercial and industrial purposes.

However, it is important to note that a portion of this western extent has been predominantly utilised for non-residential and non-rural production activities. This existing land use suggests that the remaining land within the Site may have limited potential for further rural living or rural production activities.

At a high-level, Property Economics estimates that the Site could potentially generate around \$20,000 in gross farm income annually if used for primary production. Consequently, over a 10-year period, the total potential reduction in the region's primary production income would be approximately \$150,000 (at a 6% discount rate). Note that this estimate reflects a general average cost and not an exact loss of production due to the proposed Business Park.

This opportunity cost is relatively minor in the context of the wider region's primary sector GDP, which is estimated at approximately \$462m in 2024<sup>10</sup>. As a result, it is

<sup>10</sup> Source: <https://rep.infometrics.co.nz/auckland/economy/structure>



unlikely to have a material impact on the overall economic efficiency of the proposed development.

- **Potential impact on centres:** The proposed retail (supermarket and large format retail) and commercial (office) activities could potentially affect existing centres, particularly the centre directly across from the site. However, the extent of this impact - whether it significantly undermine the role and function of existing and planned centres in the market - will depend on future market growth. A sufficiently expanding market could help absorb or mitigate any potential effects arising from the proposed development.

With Beachlands expected to experience rapid growth, particularly driven by the recently approved development of Beachlands South, the local market will require expanded retail and commercial offerings, along with increased employment opportunities, to support the growing residential community effectively. This would assist in offsetting / partly offsetting the potential centre impact, if any, generated by the proposed retail and commercial activities.

- **Additional infrastructure investment and servicing requirements:** Land and associated infrastructure costs are one of the biggest cost components of residential housing development costs and tend to scale according to the size of the network. This means that expanding networks to new greenfield areas will tend to lead to a proportional increase in long-term operating, maintenance, and renewal costs.

Although being directly adjacent to the existing urban environment means the extent of required infrastructure upgrades is likely to be limited, the cost of any upgrades to the wider network will need to be serviced by the Council. In Property Economics' view, these capital costs are likely to be mitigated, at least in part, through either developer contributions or the level at which the developer provides the infrastructure itself.

- **Potential generation of adverse environmental effects (relative to no additional business activities at the Site):** The proposed development may have adverse off-site effects on adjacent or nearby rural properties and environment. These may be effects such as noise, visual effect of new industrial buildings, odour, dust, and traffic. However, this is likely to be offset with management of any such potential by creating master plan for the entire site and developing a set of site focused planning provisions.

Moreover, as previously noted, the proposed retail and commercial activities can be expected to enhance local amenity, contributing positively to the area's overall liveability. Compared to quarrying - activities typically associated with heavy vehicle movements - the proposed activities would represent an improved development outcome of the area.

Considering the economic cost benefit analysis outlined above as a whole (including the quantitative economic injection into the regional economy and employment benefits), Property Economics considers that advancing the proposed development would yield significant economic benefits for the regional economy and community.

The proposed development would positively contribute to the facilitation of a 'well-functioning' urban environment within the Auckland Region, giving effect to the NPS-UD Policies. and meeting the purpose of the FTAA.